

New Hampshire Economic Conditions

October 2009

Average Weekly Hours and Earnings of New Hampshire's Production Workers

The hours worked by production workers in New Hampshire fell to 37.4 average hours per week in December 2008. That was the lowest in recent history, ending a downward trend that followed the most recent high in November 2005 when the average number of hours worked was 42.9 per week.¹

The trend of the average weekly hours worked by production workers is significant because average hours is one of the measures used as a leading indicator of the health of the overall economy. Typically, when an economy is growing, the number of hours worked will increase before companies expand their workforce. Con-

versely, when the economy is slowing, companies will generally reduce the number of hours worked before resorting to eliminating positions. So the changes in the average number of hours are closely tied to the direction of the economy.

The National Bureau of Economic Research (NBER) announced that nationally economic activity had hit its peak and was headed downward as of December 2007, marking the beginning of the latest recession. At that point in time, the average weekly hours worked by New Hampshire's production workers was at 40.7 hours. During the next twelve months the average hours worked weekly tumbled an

average of 3.3 hours to 37.4 hours by December 2008. The December average indicated that workers' hours had been reduced to less than the standard 40-hour work week. The reduction in hours worked signaled an impending reduction in the workforce.

Since 2000, the average number of weekly hours worked by nonsupervisory production workers in New Hampshire is generally at its highest point for the year in December. That may be because production is geared to closing orders and shipping them to complete sales for that year, preparing for new year inventories. The fact that December average hours were so low for a month when

Contents

Seasonally

Adjusted Estimates

Unemployment Rates.....3

Current Employment

Statistics.....3

Not Seasonally

Adjusted Estimates

Unemployment Rates.....4

Current Employment

Statistics.....5

Claims Activity.....7

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Average Weekly Hours Worked by Production Workers in New Hampshire

(includes all hours worked, overtime, hours paid for standby or reporting time, sick, holiday and annual leave)



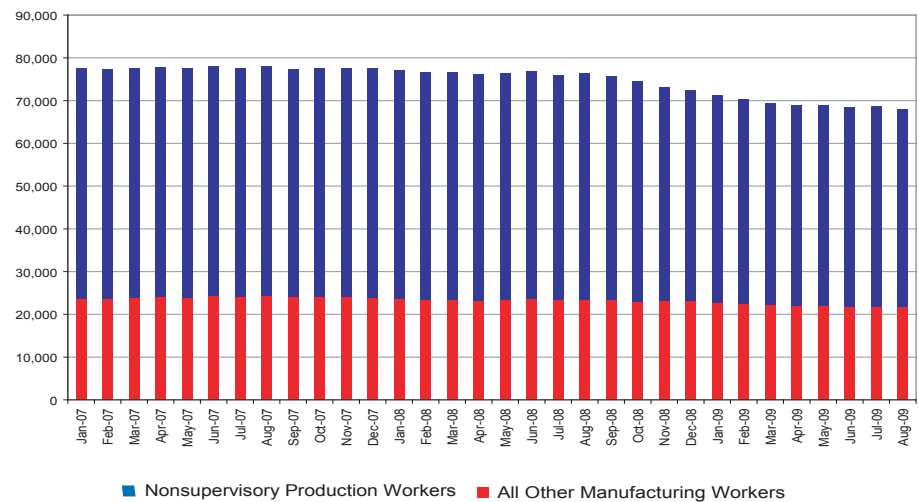
¹ The redefinition of industries adopted with the change from the Standard Industrial Classification (SIC) to the North American Industrial Classification System (NAICS) eliminates any comparison of data prior to 2000. Total hours used in the average include all hours worked (including overtime), hours paid for standby or reporting time, and equivalent hours for which employees received pay directly from the employer for sick time, holidays, vacations and other leave.

hours worked are typically among the highest emphasized the status of the economy. Companies conducting furloughs in lieu of layoffs may also have contributed to the drop in hours worked.

Through the beginning of 2007, average weekly hours worked were just above 40 hours a week and nonfarm employment in Manufacturing leveled off, averaging 77,600 workers for the year. Of those, nonsupervisory production workers averaged 53,600. Beginning January 2008, the average weekly hours worked crept below the standard 40-hour work week, and in March 2008 employment started a gradual decline. From that point, monthly employment losses accelerated through August 2009, dropping to 68,000 workers. Of those, 46,300 were nonsupervisory production workers.²

Another useful measure is average hourly earnings.³ Earnings increased steadily from January 2000 to 2007. In 2007 average hourly earnings reached an average of just over \$17.00 an hour and remained fairly stable through the year. Since the beginning of the

New Hampshire Monthly Nonfarm Manufacturing Employment

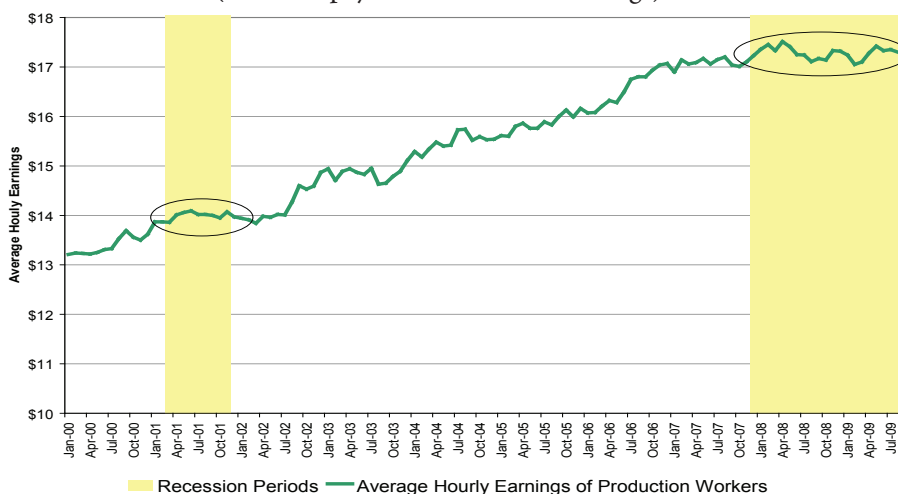


current recession, December 2007, average hourly earnings remained at or above \$17.00 per hour through August 2009.

Comparing average weekly hours to average hourly earnings clearly shows that the average number of hours worked declined while earnings did not. Hourly wages tend to increase over time – so average hourly earnings, given constant hours worked,

should increase. That was the case except during the last two recession periods when average hourly earnings seemed to have stabilized, helping show the impact that less overtime has on hourly earnings. In the prior recession, the increase in hourly earnings was an indication of the availability of overtime. That increase in average hours worked per week was coincident to the end of the recession period.

Average Hourly Earnings of Production Workers in New Hampshire
(overtime pay is included in the average)



Average weekly hours are on the rise, but they still have a way to go before they regain the typical 40-hour work week. The reductions in Manufacturing hours have ultimately led to reductions in employment. As average weekly hours worked increases, the expectation is that the latest recession period will have come to a close.

Anita Josten

²Preliminary seasonally adjusted nonfarm estimates, New Hampshire Employment Security, Economic and Labor Market Information Bureau.

³Average hourly earnings are calculated using total gross payroll, including premium pay, divided by the total hours. They differ from wage rates that represent the amount set for a given unit of work or time.

Seasonally Adjusted Estimates

Unemployment Estimates by Region

Seasonally Adjusted	Aug-09	Jul-09	Aug-08
United States	9.7%	9.4%	6.2%
Northeast	9.0%	8.7%	5.6%
New England	8.8%	8.6%	5.6%
Connecticut	8.1%	7.8%	6.1%
Maine	8.6%	8.5%	5.4%
Massachusetts	9.1%	8.8%	5.4%
New Hampshire	6.9%	6.8%	3.9%
Rhode Island	12.8%	12.7%	8.3%
Vermont	6.8%	6.8%	4.7%
Mid Atlantic	9.1%	8.7%	5.6%
New Jersey	9.7%	9.3%	5.7%
New York	9.0%	8.6%	5.7%
Pennsylvania	8.6%	8.5%	5.5%

Local Area Unemployment Statistics (LAUS) By Place of Residence

New Hampshire	Apr-09	May-09	Jun-09	Jul-09	Aug-09
Unemployment Rate	6.3%	6.6%	6.8%	6.8%	6.9%
Civilian Labor Force	744,180	742,190	738,500	740,210	737,650
Number Employed	697,010	693,500	688,000	690,150	686,550
Number Unemployed	47,170	48,690	50,500	50,060	51,100
United States (in thousands)					
Unemployment Rate	8.9%	9.4%	9.5%	9.4%	9.7%
Civilian Labor Force	154,731	155,081	154,926	154,504	154,577
Number Employed	141,007	140,570	140,196	140,041	139,649
Number Unemployed	13,724	14,511	14,729	14,462	14,928

Current Employment Statistics (CES) By Place of Establishment

Supersector	Apr-09	May-09	Jun-09	Jul-09	Aug-09
Total Nonfarm	631,500	632,800	632,700	628,400	628,800
Construction	21,700	21,400	21,300	21,300	21,000
Manufacturing	69,200	69,100	68,300	68,700	67,300
Durable Goods	53,100	52,700	52,000	52,200	51,200
Non-Durable Goods	16,100	16,400	16,300	16,500	16,100
Trade, Transportation, and Utilities	139,400	139,700	139,700	138,700	138,800
Wholesale Trade	26,900	26,800	26,900	27,000	27,500
Retail Trade	98,300	98,700	98,700	97,700	97,100
Transportation and Utilities	14,200	14,200	14,100	14,000	14,200
Information	12,100	12,100	12,200	12,200	12,200
Financial Activities	37,400	37,000	37,200	36,900	37,100
Real Estate and Rental and Leasing	7,200	7,100	7,200	7,200	7,100
Professional and Business Services	64,400	65,000	64,600	65,300	64,600
Administrative and Support	26,300	26,900	27,000	27,500	26,700
Education and Health Services	107,100	106,900	106,900	106,400	107,400
Educational Services	23,500	23,600	23,700	23,300	23,600
Health Care and Social Assistance	83,600	83,300	83,200	83,100	83,800
Leisure and Hospitality	63,000	62,400	62,000	62,300	61,600
Arts, Entertainment, and Recreation	9,800	9,700	9,600	9,900	9,400
Accommodation and Food Services	53,200	52,700	52,400	52,400	52,200
Other Services	21,600	22,600	21,900	22,500	22,400
Government	94,800	95,600	97,600	93,100	95,400
Federal Government	7,700	7,600	7,600	7,600	7,500
State Government	23,600	24,200	25,200	23,400	24,900
Local Government	63,500	63,800	64,800	62,100	63,000
Manchester NH MetroNECTA	100,100	100,600	101,000	100,000	100,100
Nashua NH-MA NECTA Division	129,100	129,600	129,600	130,600	130,100
Portsmouth NH-ME MetroNECTA	54,700	54,700	54,400	53,700	53,500
Rochester-Dover NH-ME MetroNECTA	57,200	57,100	58,400	57,900	57,400

Current month is Preliminary
Past months are Revised

Please note that not all supersectors meet the statistical criteria for publication in this category. We seasonally adjust the total nonfarm data series and all the published supersectors independently. Therefore, the sum of the published parts will not equal the total.

Not Seasonally Adjusted Estimates

Labor Force Estimates

New Hampshire	Aug-09	Jul-09	Aug-08
Total Civilian Labor Force	747,760	754,050	748,420
Employed	696,890	704,590	719,510
Unemployed	50,870	49,460	28,910
Unemployment Rate	6.8%	6.6%	3.9%
United States (# in thousands)	Aug-09	Jul-09	Aug-08
Total Civilian Labor Force	154,897	156,255	155,387
Employed	140,074	141,055	145,909
Unemployed	14,823	15,201	9,479
Unemployment Rate	9.6%	9.7%	6.1%

Rates by Area

Counties	Aug-09	Jul-09	Aug-08
Belknap	6.3%	6.0%	3.5%
Carroll	4.8%	4.7%	3.0%
Cheshire	6.8%	6.2%	3.8%
Coos	7.5%	7.0%	4.8%
Grafton	5.2%	4.9%	2.9%
Hillsborough	7.3%	7.1%	4.0%
Merrimack	5.9%	5.8%	3.6%
Rockingham	7.5%	7.2%	4.4%
Strafford	6.9%	6.9%	3.7%
Sullivan	6.2%	5.8%	3.3%

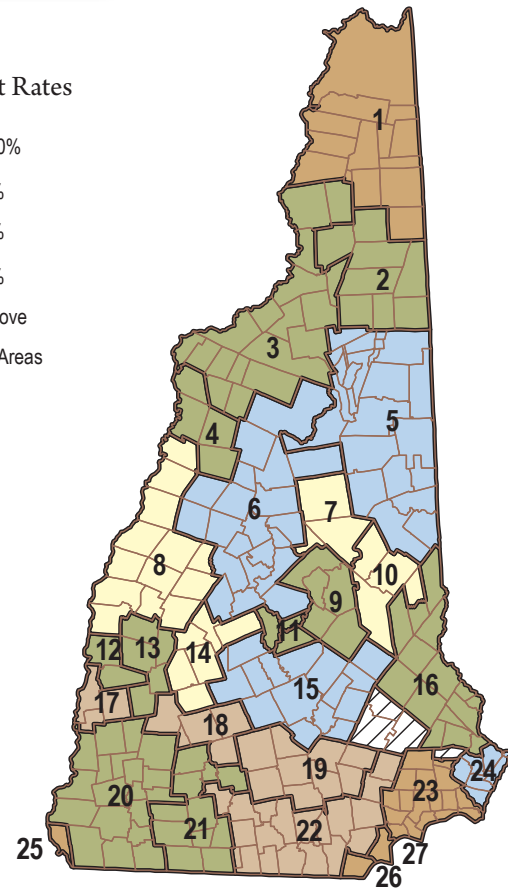
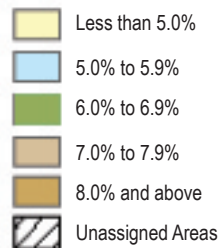
Map	Aug-09	Jul-09	Aug-08
Key Labor Market Areas			
1 Colebrook NH-VT LMA, NH Portion	8.5%	6.8%	3.7%
2 Berlin NH MicroNECTA	6.6%	6.5%	5.0%
3 Littleton NH-VT LMA, NH Portion	6.8%	6.4%	3.9%
4 Haverhill NH LMA	6.6%	6.4%	3.9%
5 Conway NH-ME LMA, NH Portion	5.0%	5.0%	3.0%
6 Plymouth NH LMA	5.9%	5.8%	3.3%
7 Moultonborough NH LMA	3.8%	3.7%	2.6%
8 Lebanon NH-VT MicroNECTA, NH Portion	4.4%	3.8%	2.3%
9 Laconia NH MicroNECTA	6.5%	6.2%	3.6%
10 Wolfeboro NH LMA	4.2%	3.9%	2.9%
11 Franklin NH MicroNECTA	6.9%	6.7%	4.6%
12 Claremont NH MicroNECTA	6.8%	6.4%	3.6%
13 Newport NH LMA	6.1%	6.0%	3.4%
14 New London NH LMA	4.8%	4.9%	3.2%
15 Concord NH MicroNECTA	5.9%	5.8%	3.5%
16 Rochester-Dover NH-ME MetroNECTA, NH Portion	6.9%	6.9%	3.7%
17 Charlestown NH LMA	7.2%	6.6%	4.1%
18 Hillsborough NH LMA	7.3%	7.7%	4.4%
19 Manchester NH MetroNECTA	7.0%	6.8%	3.9%
20 Keene NH MicroNECTA	6.6%	6.1%	3.5%
21 Peterborough NH LMA	6.9%	6.5%	4.4%
22 Nashua NH-MA NECTA Division, NH Portion	7.4%	7.1%	4.0%
23 Exeter Area, NH Portion, Haverhill-N. Andover-Amesbury MA-NH NECTA Division	8.6%	8.1%	5.1%
24 Portsmouth NH-ME MetroNECTA, NH Portion	5.6%	5.5%	3.6%
25 Hinsdale Town, NH Portion, Brattleboro VT-NH LMA	8.0%	6.3%	3.9%
26 Pelham Town, NH Portion, Lowell-Billerica-Chelmsford MA-NH NECTA Division	9.7%	9.2%	5.2%
27 Salem Town, NH Portion, Lawrence-Methuen-Salem MA-NH NECTA Division	9.6%	9.2%	5.7%

Rates by Region

Not Seasonally Adjusted	Aug-09	Jul-09	Aug-08
United States	9.6%	9.7%	6.1%
Northeast	8.8%	8.7%	5.6%
New England	8.5%	8.5%	5.5%
Connecticut	8.0%	8.0%	6.1%
Maine	7.7%	8.1%	4.7%
Massachusetts	8.9%	8.9%	5.3%
New Hampshire	6.8%	6.6%	3.9%
Rhode Island	12.6%	12.8%	8.6%
Vermont	6.1%	6.5%	4.1%
Mid Atlantic	8.8%	8.8%	5.6%
New Jersey	9.5%	9.6%	5.6%
New York	8.8%	8.6%	5.6%
Pennsylvania	8.5%	8.5%	5.6%

Current month is Preliminary
Past months are Revised

August - 09 Unemployment Rates



New Hampshire unemployment and labor force estimates are calculated using a regression model which depends on Current Population Survey (CPS) estimates. Labor Market Area estimates are calculated using the Bureau of Labor Statistics "Handbook Method" and then adjusted to the State levels.

Monthly Analysis of Current Employment Statistics (CES) Data

Seasonally Adjusted:

Preliminary seasonally adjusted employment increased over-the-month, up 400 jobs. Employment in government (supersector 90) rose by 2,300 jobs from July to August. Employers in education and health services (supersector 65) added 1,000 jobs to their payroll, over-the-month. Information (supersector 50) remained unchanged from July to August.

Employers in manufacturing (supersector 30) lost 1,400 jobs over-the-month. Durable goods contributed most to this loss, down 1,000 jobs. Professional and business services (supersector 60) and leisure and hospitality (supersector 70) each decreased by 700 jobs.

Over-the-year, seasonally adjusted total nonfarm employment decreased by 18,400 jobs. Manufacturing lost 8,700 jobs from August 2008 to August 2009. Over three-fourths of this loss was in durable goods, down 6,700 jobs. Employers in construction (supersector 20) reduced their workforce by 4,800 jobs from August 2008 to August 2009. Employment in leisure and hospitality declined over-the-year, down 2,200 jobs. Professional and business services and trade, transportation, and utilities (supersector 40) each lost 1,700 and 1,200 jobs respectively.

From August 2008 to August 2009, Employment in education and health services increased by 1,800 jobs. Two-thirds of this growth can be attributed to the gain in health care and social assistance (sector 62), up 1,200 jobs. During this same period, other services added 300 jobs.

Seasonally Unadjusted:

Preliminary not seasonally adjusted employment increased over-the-month, up 400 jobs. Government (supersector 90) added 900 jobs from July to August. Employment in education and health services (supersector 65) grew by 800, over-the-month. The bulk of this growth was principally due to the increase in healthcare and social assistance (sector 62), up 700 jobs. Trade, transportation, and utilities (supersector 40) gained 500 jobs from July to August. Information (supersector 50) and mining and logging (supersector 10) each remained unchanged, over-the-month.

Employers in manufacturing (supersector 30) lost 700 jobs from July to August. Employment in durable goods decreased by 500 jobs, over-the-month. Employers in leisure and hospitality (supersector 70) reduced their workforce by 600 jobs from July to August. Employment in professional and

business services (supersector 60) declined by 500 jobs, over-the-month.

From August 2008 to August 2009, not seasonally adjusted total nonfarm employment decreased by 16,900 jobs. Over-the-year, employers in manufacturing reduced their workforce by 8,400 jobs. Over three-fourths of this loss can be attributed to the drop in durable goods, down 6,500 jobs. From August 2008 to August 2009 construction (supersector 20) declined by 5,100 jobs. Employment in leisure and hospitality decreased by 2,600 jobs, over-the-year. During this same time frame, professional and business services lost 1,300 jobs.

Employment in education and health services increased by 1,600 jobs, over-the-year. Three-fourths of this growth was in health care and social assistance, up 1,200 jobs. Employment in government grew by 1,000 jobs from August 2008 to August 2009.

Gail Clay

Average Earnings and Hours of Production Workers in Manufacturing

Sector	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	Aug-09 preliminary	Jul-09 revised	Aug-08	Aug-09 preliminary	Jul-09 revised	Aug-08	Aug-09 preliminary	Jul-09 revised	Aug-08
New Hampshire									
All Manufacturing	\$679.89	\$678.39	\$665.58	39.3	39.1	38.9	\$17.30	\$17.35	\$17.11
Durable Goods	\$702.50	\$705.87	\$696.14	39.6	39.5	40.1	\$17.74	\$17.87	\$17.36
Nondurable Goods	\$609.60	\$600.40	\$574.33	38.1	38.0	35.3	\$16.00	\$15.80	\$16.27

For further analysis please read the Detailed Monthly Analysis of Industry Employment Data on our Web site at www.nh.gov/nhes/elmi/nonfarm.htm

Not Seasonally Adjusted Estimates

Monthly New Hampshire Nonfarm Wage and Salary Employment

Current Employment Statistics Employment by Supersector by place of establishment	Number of Jobs			Change from previous:	
	Aug-09 preliminary	Jul-09 revised	Aug-08	Month	Year
Total All Supersectors	632,600	632,200	649,500	400	-16,900
Private Employment Total	548,000	548,500	565,900	-500	-17,900
Mining and Logging	1,000	1,000	1,100	0	-100
Construction	22,800	22,900	27,900	-100	-5,100
Manufacturing	68,000	68,700	76,400	-700	-8,400
Durable Goods	51,700	52,200	58,200	-500	-6,500
Non-Durable Goods	16,300	16,500	18,200	-200	-1,900
Trade, Transportation and Utilities	140,000	139,500	140,700	500	-700
Wholesale Trade	27,900	27,400	28,200	500	-300
Retail Trade	98,200	98,400	97,700	-200	500
Transportation and Utilities	13,900	13,700	14,800	200	-900
Information	12,200	12,200	12,800	0	-600
Financial Activities	37,400	37,200	38,400	200	-1,000
Professional and Business	66,100	66,600	67,400	-500	-1,300
Education and Health	106,100	105,300	104,500	800	1,600
Leisure and Hospitality	71,400	72,000	74,000	-600	-2,600
Other Services	23,000	23,100	22,700	-100	300
Government Total	84,600	83,700	83,600	900	1,000

Monthly New Hampshire Nonfarm Wage and Salary Employment by Metropolitan Statistical Areas

Employment by Sector number of jobs by place of establishment	Manchester NH MetroNECTA			Nashua NH-MA NECTA Division			Portsmouth NH-ME MetroNECTA			Rochester-Dover NH-ME MetroNECTA		
	preliminary	Change from previous:		preliminary	Change from previous:		preliminary	Change from previous:		preliminary	Change from previous:	
		Aug-09	Month		Aug-09	Month		Aug-09	Month		Aug-09	Month
Total All Sectors	99,400	200	-700	128,300	-200	-3,400	55,100	-100	-2,400	55,400	-300	-1,500
Private Employment Total	89,400	100	-900	115,300	0	-3,100	46,500	0	-1,700	44,900	-100	-400
Mining and Logging and Construction	4,700	-100	-200	4,600	-100	-600	1,500	0	-100	1,700	0	-200
Manufacturing	8,500	0	-600	22,800	-100	-2,000	3,800	0	-200	6,500	0	-300
Trade, Transportation and Utilities	19,600	100	-400	30,500	100	0	11,100	100	-200	10,900	0	100
Wholesale Trade	4,500	0	-300	6,100	100	100	2,000	0	-100	1,200	0	0
Retail Trade	12,300	0	-200	20,600	0	0	8,100	0	0	8,800	0	100
Transportation, Warehousing and Utilities	Data not available			3,800	0	-100	1,000	100	-100	900	0	0
Information	3,000	0	-100	2,400	0	-100	1,800	0	-100	1,100	0	-100
Financial Activities	8,000	100	-100	8,500	0	-100	4,200	0	0	4,300	0	-100
Professional and Business	14,400	0	100	14,200	0	0	9,300	0	0	4,700	0	0
Education and Health	18,000	0	400	16,600	100	200	5,600	0	200	8,100	0	200
Leisure and Hospitality	8,900	0	-100	11,000	0	-600	7,600	-100	-1,300	5,700	-100	0
Other Services	4,300	0	100	4,700	0	100	1,600	0	0	1,900	0	0
Government Total	10,000	100	200	13,000	-200	-300	8,600	-100	-700	10,500	-200	-1,100

Consumer Price Index

			Change from Previous	
Aug-09	Jul-09	Aug-08	Month	Year
215.834	215.351	219.086	0.2%	-1.5%

United States
All Urban Areas (CPI-U)
(1982-1984=100)

Unemployment Compensation Claims Activity

Claims

Initial Claims	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09
All Offices	10,673	9,128	7,408	9,422	9,318	7,397
Continued Claims	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09
All Offices	125,063	105,592	97,226	110,387	97,257	138,407

Data not available for August

Unemployment Compensation Fund

New Hampshire Employment Security Local Offices:

Berlin.....752-5500	Claremont.....543-3111
Concord.....228-4100	Conway.....447-5924
Keene.....352-1904	Laconia.....524-3960
Lebanon.....448-6340	Littleton.....444-2971
Manchester.....627-7841	Nashua.....882-5177
Portsmouth.....436-3702	Salem.....893-9185
Somerset.....742-3600	

Claims calls refer to: 1-800-266-2252 option 3

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